

**DRAFT**

4 MAY 1977

Honorable Melvin Price, Chairman  
Committee on Armed Services  
House of Representatives  
Washington, D.C. 20515

Honorable Jack Brooks, Chairman  
Committee on Government Operations  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

I am writing in response to your request for this Agency's comments on H.R. 4173, the "Omnibus Intelligence Community Reorganization and Reform Act of 1977." I have concentrated my attention on those provisions of the bill relating to the foreign intelligence process in the U.S. Government. I defer to those agencies directly involved for comments on provisions dealing with domestic intelligence.

This legislation calls for sweeping and fundamental changes in the organization of the Intelligence Community. The organization of the Intelligence Community is currently under study in the Executive branch, and I reserve specific comment on this portion of the legislation until that review is completed.

I am in accord with efforts to assure the American public that legitimate foreign intelligence activities will not impinge on the exercise of their rights. Guidelines insuring attainment of this goal, however, have already been established by the Executive branch in Executive Order 11905 and other orders and in the regulations implementing them. I believe that additional legislation covering activities already so regulated is unnecessary, potentially counterproductive, and over-restrictive. As examples, I note those sections of the bill restricting or forbidding relations with the clergy, journalists and academics; forbidding any relations with local law enforcement agencies; providing for internal investigations of possibly illegal intelligence activities; and regulating physical surveillance of Americans. I also wish to point out that legislation concerning electronic surveillance is now being prepared by the Executive branch for submission to Congress. For this reason I believe that the section of the bill prohibiting electronic surveillance is premature.

This legislation also contains a number of limitations on foreign intelligence activities, for example forbidding clandestine collection of information except during time of war and limiting the use of undercover agents, which I believe would destroy this country's foreign intelligence program. Further, enactment of several provisions of this bill, such as those requiring that intelligence activities be set out in line items in the budget and permitting audits by the General Accounting Office, could result in disclosures harmful to the conduct of the foreign intelligence program.

I am available to discuss this legislation at the appropriate time if you so desire.

The Office of Management and Budget has advised there is no objection to the submission of this report from the standpoint of the Administration's program.

Yours sincerely,

STANSFIELD TURNER  
Admiral, U.S. Navy  
*Director (7)*

18 APR 1977

H. R. 4173, A BILL TO REORGANIZE THE INTELLIGENCE COMMUNITY

H. R. 4173, a bill introduced by Representative Dellums (D., Cal.), would make wholesale changes in the structure of the Intelligence Community. Despite the fact that the House currently plans no action on the bill, H. R. 4173 has understandably drawn a good deal of attention in the Intelligence Community. The bill's main features are outlined below.

#### TITLE I - Foreign Intelligence Community

##### A. National Security Council

--Would provide policy guidance for all intelligence activities of the United States.

--Director of Central Intelligence (a new position) and the Attorney General (in advisory capacity) are added as members.

--Establishes a Committee on Foreign Intelligence to assist the Director of Central Intelligence to oversee the entire foreign intelligence community; a Foreign Activities Committee to advise the President on the authorization of sensitive intelligence activities; and a Counterintelligence Committee to oversee counterintelligence activities.

##### B. Office of the Director of Central Intelligence

--This would be an independent establishment in the Executive branch headed by a civilian who could serve no more than eight years.

--As chief foreign intelligence officer of the U.S., the Director would be responsible for providing national intelligence and for all resource allocations.

--The Director would also investigate all intelligence failures and submit a full and detailed intelligence budget to Congress.

--The bill would also establish an Inspector General of the Intelligence Community to review all activities of each intelligence agency and a National Intelligence Board to assist the Director and to review finished national estimates.

--The Secretary of Defense would control all foreign intelligence operations and activities during a declared war and could direct the CIA to carry out espionage and covert action against the enemy.

--Would have civilian Director and Deputy Director; neither could serve for more than eight years. They would be subordinate to the National Security Council and the Director of Central Intelligence.

--The sole function of the Agency, other than during a state of war, would be to conduct foreign counterintelligence activities outside the U.S.

--Could collect information within the U.S. on an American solely to protect security of installations and collect information outside the U.S. on Americans solely for security purposes or if suspected of espionage.

--The General Counsel of the Agency shall review legality of all Agency activities.

--The bill would require approval by the Director of Central Intelligence and the appropriate committees of Congress before reserve and contingency funds could be spent.

D. Intelligence Research and Analysis Agency

--Director and Deputy Director would be civilians who could serve no more than eight years.

--Would assume all functions now exercised by CIA with regard to the production, analysis and dissemination of foreign intelligence.

E. National Security Agency

--Would become an independent Agency, headed by a civilian Director and Deputy Director who could serve no more than eight years.

--Function would be to protect official U.S. communications and to collect intelligence from foreign communications.

--It could not engage in domestic surveillance other than for security reasons; monitor communications to or from an American; or request communications from a common carrier if not available overtly.

F. DOD Intelligence Components

--Defense Intelligence Agency would be abolished.

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Intelligence components shall only conduct foreign counterintelligence activities for protection of military installations and personnel; collect, analyze and disseminate tactical military analysis; produce, analyze and disseminate departmental intelligence.

#### G. General Restrictions on Intelligence Activities

--No agency shall engage in or encourage any person or Government agency to engage in any activity not authorized by statute or in violation of the Constitution.

--Other than during a state of war, no agency shall engage in the clandestine collection of foreign intelligence by human beings or carry out any operation with an objective other than counterintelligence or intelligence collection.

--All foreign intelligence liaison agreements must be reported to Congress.

--Only the FBI could directly or indirectly train or supply state or local law enforcement organizations.

--No intelligence agency could have ties with religious groups, journalists or those receiving funds through U.S. programs concerned with education, the arts, humanities or cultural affairs. Also, no intelligence agency could secretly fund a book or other publication or a film or other tape.

--The Director of Central Intelligence must yearly report to Congress all proprietaries; none could be transferred to a former employee.

--No funds may be transferred between intelligence agencies unless specifically authorized by law; the DCI and the appropriate committees of Congress must approve all reprogramming of funds and the expenditure of reserve and contingency funds.

#### H. General Provisions

--The FBI shall have sole authority to investigate mishandling of classified material and to carry out counterintelligence actions within the U.S. The latter authority is limited to seeking evidence of criminal activity.

--Any committee of Congress must upon request be given all appropriate information.

--Total line item amounts of the budget for each agency engaged in intelligence activities would be made public, and the Congress would receive a breakdown of the intelligence budget.

--The GAO could audit any intelligence agency.

--Each agency must disclose the identity of its detailees to their fellow workers in the other agency.

## TITLE II - Domestic Intelligence Activities

This Title contains standards and procedures for criminal investigations. It would forbid any interference with First Amendment Rights and establishes the procedure for criminal investigations. In addition, this Title would require a warrant, obtained under the procedure established by this Title, for the use of informants, undercover agents, inspection of records, mail covers and surveillance. This Title would also regulate and reorganize the Federal Bureau of Investigation and restrict the activities of the Internal Revenue Service.

## TITLE III - Remedies

Part A of this Title would repeal all laws relating to riots, seditious conspiracy, advocating overthrow of the Government, registration of organizations, and activities affecting the operation of the Armed Forces. This section would also repeal the right of the Attorney General to define domestic intelligence activities and would generally prohibit electronic surveillance.

Part B would establish penalties for violation of any provision of this bill, including searches without warrants, acting undercover in order to monitor any group exercising First Amendment rights, assassinations, drug experimentations without consent, and wrongful disciplinary action.

Part C establishes a Special Prosecutor for Intelligence Crimes. The Special Prosecutor would be independent of the Attorney General and would have access to all information held by a department or agency of Government unless a court rules otherwise. The Special Prosecutor could be removed only under special circumstances.

Part D establishes civil penalties for violation of this Act, waives sovereign immunity for the U.S. in these cases, provides good faith is not a defense, establishes a statute of limitations of two years, and provides for payment of attorney fees and costs.

*Allen things -*  
*Williams Bill -*

- o Prohibits clandestine collection of information
- o Prohibits cover or any actions that violate laws of the country concerned -

☒ UNCLASSIFIED

☐ INTERNAL

☐ CONFIDENTIAL

☐ SECRET

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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Legislative Counsel  
6C19 HQ

EXTENSION

6126

NO.

DATE

11 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

STATINTL

1.

5E13 HQ

5 MAY 1977

5 MAY 1977

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DSIPs / PC

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Attached is a draft response to a request for comments on H.R. 4173, the "Omnibus Intelligence Community Reorganization and Reform Act of 1977," and a summary of the provisions of the bill. Please review the draft response and forward your comments no later than COB 13 May. Thank you.

STATINTL

Office of Legislative Counsel

2 - TO DSIPs please  
By 12 May.

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<b>TRANSMITTAL SLIP</b>		DATE <b>5 APR 1977</b>
TO: Chief, Review Staff, OPJ		
ROOM NO. 1006	BUILDING Ames	
REMARKS:		
<p><i>Frank</i> <i>YM</i></p> <p><i>plan</i></p> <p><i>may</i></p> <p><i>Appearance of conflict</i></p>		
FROM: DD/Pers		
ROOM NO. 5E 58	BUILDING Hqs.	EXTENSION 6825

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

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